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FOR IMMEDIATE RELEASE

Phoenix Mortgage Broker Pleads Not Guilty to Fraud, Theft Charges

(Phoenix, Ariz. – July 2, 2008) Attorney General Terry Goddard announced that Rick T. McCullough, 35, of Phoenix, today pleaded not guilty to charges of fraud, theft, securities fraud, sale of unregistered securities and transactions by unregistered dealers or salesmen. McCullough was indicted by the State Grand Jury on June 23.

According to the indictment, McCullough was the president of a licensed mortgage broker, CactusCash, Inc., and he devised a fraud scheme to secure equity from homes owned by senior residents in Phoenix. McCullough allegedly convinced the homeowners to refinance their homes through his business and then persuaded them to invest a large portion of the equity they received from the refinancing into his business.

The indictment alleges that McCullough told the homeowners that he would invest their funds in real estate and that he personally guaranteed the loans. McCullough allegedly failed to invest the homeowners' funds in real estate and lacked assets to guarantee the loans.

On April 24, the Arizona Department of Financial Institutions (DFI) filed a complaint with the Office of Administrative Hearings (OAH) to remove McCullough from the financial services industry. DFI also alleged that McCullough violated mortgage broker statutes. An administrative law judge took the case under advisement following a June 23 hearing.

McCullough's next court appearance is scheduled for Aug. 4. He was released on \$46,000 bond. If convicted of all charges, McCullough faces up to 25 years in prison. The indictment is the result of an investigation by the Securities Division of the Arizona Corporation Commission and the Department of Financial Institutions.

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